GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:3024
ANSWERED ON:11.03.2003
DISUSED MINES OF KOLAR GOLD MINES IN KARNATAKA
BASUDEB ACHARIA

Will the Minister of MINES be pleased to state:

(a) whether the Government propose to develop disused mines of 10 year old Kolar Gold Mines in the State of Karnataka;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether recently there has been an agreement between BGML officers association and Indian Minerals Corporation to jointly develop one of the disused mines; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI RAMESH BAIS)

(a) to (c) No, Sir. The Kolar Gold Mines was operated by Bharat Gold Mines Limited (BGML). The mine is more than 100 years old BGML was referred to the Board for Industrial and Financial Reconstruction (BIFR) in 1992 when its net worth got totally eroded due to heavy losses and unviable operations. BIFR, in June, 2000 concluded that it is just, equitable and in public interest that BGML is wound up under section 20(1) of Sick Industrial Companies (Special Provisions) Act 1985. The order of BIFR was also upheld by the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). Subsequently, closure of the company was approved by the Government under Section 25(O) of Industrial Disputes Act, 1947 with effect from 1.3.2001. The closure of BGML is sub-judice in the High Court of Karnataka where hearings have been concluded and judgement is awaited.

(d) to (e) BGML is a Public Sector Enterprise of Government of India and therefore no agreement can be signed in respect of the company without the approval of the Government of India. BGML Officers Association has not obtained any approval of Government of India for signing the agreement, if any with Indian Minerals Corporation.